



# CITY OF MILPITAS

455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479 • www.ci.milpitas.ca.gov

## Interoffice Memorandum

To: Tom Wilson, City Manager and Blair King, Assistant City Manager  
From: *2/26/04* Mike McNeely, City Engineer and Edgar Rodriguez, Chief Building Official  
Subject: Treatment Plant Fees *EFK*  
Date: February 26, 2004

**Background:** This memorandum summarizes Residential Treatment Plant Fees (TPF) that are owed to the City by residential developments. During the last 5 years, large residential developments including Parc Metropolitan, Bridge Housing, and The Crossings were completed, but not fully assessed for TPF. It is suspected that fees stopped being collected after the City revised the permit tracking system to PTWin in June 1999.

Treatment Plant Fees are required by our City Code for each new development and may be used to pay for capital improvements within Milpitas or for Milpitas share of capital costs at the regional wastewater treatment plant. Residential TPFs are assessed at \$880 for each single family dwelling unit or duplex, \$690 for each multi-family dwelling unit, and \$440 for each mobile home space.

**Discussion:** Table 1 (attached) summarizes projects where treatment plant fees are due. As noted on the table, an estimated \$769,000 in TPF have not been assessed. Building Inspection Division staff has reviewed the building permit records and confirmed the fee assessment status. Based upon our preliminary understanding, of the total \$769,000 due, about \$370,000 can be collected within the statute of limitation period of three years (a). Staff has prepared a proposed letter (attached) to be sent notifying the developers that the fee is due.

Irrespective of the statute of limitations on accounts due, staff proposes to pursue full payment from all developers. In addition, staff proposes to revise the current process so engineering staff is responsible for all TPF assessment calculations including residential TPFs, and for entering the amount due into PTWin for collection through the building permit process.

**Action Taken:** The process has been revised effectively immediately so Engineering calculates the residential TPF, and enters the amount due into PTWin for collection as part of building permits.

**Recommendations:** 1) Pursue all fees irrespective of the statute of limitations using the attached letter to developers.

(a) application of 3 year limitation being confirmed by City Attorney

cc: Principal Civil Engineer, Utility Section  
Principal Civil Engineer, Land Development Section

Util Engr File 60.1.11  
Permit Center Manager

Table 1 Developments with Outstanding Treatment Plant Fees

Developer	total TPF	TPF paid to date	TPF due	Project
DKB homes	\$96,800	\$86,240	\$10,560	Summerfield
Calprop	\$46,920	\$0	\$46,920	Parc West
RGCCLPO	\$263,580	\$111,090	\$152,490	Parc Metro
Milpitas Housing Associates	\$211,140	\$0	\$211,140	Bridge Housing
Commonwealth Land Title	\$14,960	\$13,200	\$1,760	Northpointe
Hearthstone Advisors	\$38,720	\$24,640	\$14,080	Crosspointe
Long Nguyen and Thuy Dang	\$8,800	\$0	\$8,800	Mirabella Estates
still looking for	\$322,920	\$0	\$322,920	Crossings

February 25, 2004

DKB Homes  
Mr. Charles W. Davidson  
255 West Julian Street Suite 200  
San Jose, CA 95110-2406

Re: Treatment Plant Fee Payments for Summerfield in Milpitas

Dear Mr. Charles W. Davidson:

As you know, the City of Milpitas requires payment of a variety of fees for each development at the time of construction. These fees are identified in the Subdivision Agreement that you signed (a copy of selected sheets is attached).

It has come to our attention that Treatment Plant Fees in the amount of \$10,560.00 have not yet been paid for the Summerfield Project. Our records show that this project has 110 total dwelling units. A fee of \$86,240.00 has been received for 98 dwelling units. The remaining amount of \$10,560.00 is now due for 12 dwelling units. Please submit one copy of the enclosed invoice with your payment.

We apologize for the delay in identifying this missed fee. If you have any questions on the calculation of the fee, please contact Marilyn Nickel at (408) 586-3347. If you believe these fees were paid, please submit a copy of your receipt to Marilyn Nickel (fax is 408 586-3305). Thank you for your prompt attention in this matter.

Regards,

David M. McNeely  
City Engineer

Edgar F. Rodriguez, P.E.  
Chief Building Official

enc: Subdivision agreement (selected sheets)  
Invoice

cc: Land Development Engineer      Utility Engineer      Util Engr File #60.1.11  
Land Development File 100.01.200